



House of Representatives

General Assembly

File No. 58

January Session, 2015

House Bill No. 6764

House of Representatives, March 12, 2015

The Committee on Human Services reported through REP. ABERCROMBIE of the 83rd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING INCOME WITHHOLDING FOR CHILD SUPPORT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 3-119 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *January 1, 2016*):

4 (a) The Comptroller shall pay all salaries and wages not less than
5 ten calendar days or more than fifteen calendar days after the close of
6 the payroll period in which the services were rendered, except as
7 provided in subsections (b) and (c) of this section, but shall draw no
8 order in payment for any service of which the payroll officer of the
9 state has official knowledge without the signed statement of the latter
10 that all employees listed on the payroll of each agency have been duly
11 appointed to authorized positions and have rendered the services for
12 which payment is to be made. The Comptroller is authorized to
13 develop, install and operate a comprehensive fully documented
14 electronic system for effective personnel data, for payment of

15 compensation to all state employees and officers and for maintenance
16 of a chronological and permanent record of compensation paid to each
17 employee and officer for the state employees retirement system and
18 other purposes. Such electronic system shall also facilitate the
19 electronic processing of an income withholding order entered by a
20 state or federal court, including any such order transmitted to the
21 Comptroller by means of the federal electronic income withholding
22 order process and issued pursuant to section 52-362, as amended by
23 this act. The Comptroller is authorized to establish an accounting
24 procedure to implement this section.

25 Sec. 2. Subsection (h) of section 31-227 of the general statutes is
26 repealed and the following is substituted in lieu thereof (*Effective*
27 *January 1, 2016*):

28 (h) (1) An individual filing an initial claim for unemployment
29 compensation shall, at the time of filing such claim, disclose whether
30 or not the individual owes child support obligations as defined under
31 subdivision (6) of this subsection. If any such individual discloses that
32 he or she owes child support obligations and has been determined to
33 be eligible for unemployment compensation, the administrator shall
34 notify the state or local child support enforcement agency enforcing
35 such obligation that the individual is eligible for unemployment
36 compensation.

37 (2) The administrator shall deduct and withhold from any
38 unemployment compensation payable to an individual who owes
39 child support obligations (A) the amount specified by the individual to
40 the administrator to be deducted and withheld under this subsection,
41 if neither subparagraph (B) nor (C) is applicable, or (B) the amount
42 determined pursuant to an agreement submitted to the administrator
43 under Section 654(20)(B)(i) of the Social Security Act by the state or
44 local child support enforcement agency, unless subparagraph (C) is
45 applicable, or (C) any amount otherwise required to be so deducted
46 and withheld from such unemployment compensation pursuant to
47 legal process, as defined in Section 662(e) of the Social Security Act,

48 properly served upon the administrator. For purposes of this
49 subdivision, legal process shall be deemed properly served upon the
50 administrator if such legal process is transmitted to the administrator
51 by means of the federal electronic income withholding order process.

52 (3) Any amount deducted and withheld under subdivision (2) of
53 this subsection shall be paid by the administrator to the appropriate
54 state or local child support enforcement agency.

55 (4) Any amount deducted and withheld under subdivision (2) of
56 this subsection shall for all purposes be treated as if it were paid to the
57 individual as unemployment compensation and paid by such
58 individual to the state or local child support enforcement agency in
59 satisfaction of the individual's child support obligations.

60 (5) This subsection shall be applicable only if appropriate
61 arrangements have been made for reimbursement by the state or local
62 child support enforcement agency for the administrative costs incurred
63 by the administrator under this subsection which are attributable to
64 child support obligations being enforced by such state or local child
65 support enforcement agency.

66 (6) For purposes of this subsection, the term "unemployment
67 compensation" means any compensation payable under this chapter,
68 including amounts payable by the administrator pursuant to an
69 agreement under any federal law providing for compensation,
70 assistance, or allowances with respect to unemployment; "child
71 support obligations" includes only obligations which are being
72 enforced pursuant to a plan described in Section 654 of the Social
73 Security Act which has been approved by the Secretary of Health and
74 Human Services under Part D of Title IV of the Social Security Act; and
75 "state or local child support enforcement agency" means any agency of
76 this state or a political subdivision thereof operating pursuant to a plan
77 described in Section 654 of the Social Security Act which has been
78 approved by the Secretary of Health and Human Services under Part D
79 of Title IV of the Social Security Act.

80 Sec. 3. Subsection (k) of section 52-362 of the general statutes is
81 repealed and the following is substituted in lieu thereof (*Effective*
82 *January 1, 2016*):

83 (k) The employer shall notify promptly the dependent or Support
84 Enforcement Services as directed when the obligor terminates
85 employment, makes a claim for workers' compensation benefits or
86 makes a claim for unemployment compensation benefits and shall
87 provide the obligor's last-known address and the name and address of
88 the obligor's new employer, if known. When the obligor makes a claim
89 for workers' compensation benefits, the employer shall include a copy
90 of any order for withholding received for the obligor with the
91 employer's first report of occupational illness or injury to the
92 employer's workers' compensation insurance carrier, and such carrier
93 shall withhold funds pursuant to the withholding order and pay any
94 sums withheld as required by subsection (f) of this section. Such
95 insurance carrier shall be subject to the same remedies for failure to
96 withhold or pay withheld sums as provided for an employer or other
97 payer of income under subsection (f) of this section.

98 Sec. 4. Section 52-362i of the general statutes is repealed and the
99 following is substituted in lieu thereof (*Effective January 1, 2016*):

100 If the court or family support magistrate finds that (1) an obligor is
101 delinquent on payment of child support, or an employer or other
102 payer of income failed to withhold from income due an obligor
103 pursuant to an order for withholding or failed to pay withheld sums as
104 required pursuant to subsection (f) of section 52-362, and (2) future
105 support payments are in jeopardy, or (3) the obligor, employer or other
106 payer of income has exhibited or expressed an intention not to pay any
107 such support, the court or family support magistrate may order the
108 obligor, employer or other payer of income to provide a cash deposit
109 not to exceed the amount of four times the current monthly support
110 and arrearage obligation, to be held in escrow by the Bureau of Child
111 Support Enforcement or Support Enforcement Services. Any funds
112 from such cash deposit may be disbursed by the Bureau of Child

113 Support Enforcement or Support Enforcement Services to the custodial
114 parent upon a determination by said bureau or Support Enforcement
115 Services that the obligor, employer or other payer of income has failed
116 to pay the full amount of the monthly support obligation. Payment
117 shall be in an amount that, when combined with the obligor's
118 payment, would not exceed the monthly support obligation. Payment
119 from such cash deposit shall not preclude a finding of delinquency
120 during the period of time in which the obligor failed to pay current
121 support.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>January 1, 2016</i>	3-119(a)
Sec. 2	<i>January 1, 2016</i>	31-227(h)
Sec. 3	<i>January 1, 2016</i>	52-362(k)
Sec. 4	<i>January 1, 2016</i>	52-362i

HS *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill is not anticipated to result in a fiscal impact to the state or municipalities to support an electronic process for child support notices and withholdings from regular wages, unemployment compensation or workers' compensation payments.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**HB 6764*****AN ACT CONCERNING INCOME WITHHOLDING FOR CHILD SUPPORT.*****SUMMARY:**

This bill requires workers' compensation insurance carriers to withhold workers' compensation payments from a person owing child support (i.e., an obligor) in amounts determined by a court-ordered income withholding order. Under the bill, the carriers must pay withheld sums to the Bureau of Child Support Enforcement (BCSE), the state's disbursement unit, and those who fail to do so can be held in contempt of court.

Under the bill, when employers send their first report of an employee's occupational illness or injury to their workers' compensation insurance carrier, they must include a copy of any child support withholding order against the employee.

The bill also allows a court or family support magistrate to order an employer or other payer of income to provide a cash escrow deposit to BCSE or the Support Enforcement Services Division (SES) of the Judicial Branch in certain circumstances (see below).

The bill requires the electronic payroll and financial management system operated by the state comptroller to electronically process income withholding orders, including orders sent through the electronic income withholding order (e-IWO) process. Currently, the comptroller's office receives orders through the mail.

The bill establishes that sending a child support withholding order to the labor commissioner using the e-IWO process constitutes properly served legal process.

EFFECTIVE DATE: January 1, 2016

CASH ESCROW DEPOSITS

By law, a court or family support magistrate may order an obligor to provide a cash escrow deposit totaling up to four times the monthly support and back payment obligation if it finds the person (1) is delinquent and future support payments are in jeopardy or (2) has shown or expressed an intention not to pay. Under the bill, the court or family support magistrate may also order an employer or other payer to provide such a deposit if it finds that (1) the employer or payer failed to (a) withhold funds from an obligor's income or (b) pay withheld sums to BCSE and future support payments are in jeopardy or (2) the employer or payer has shown or expressed an intention not to pay.

Current law requires BCSE or SES to hold such deposits in escrow. Under the bill, if BCSE or SES determines that the employer or payer has failed to pay the full amount of the monthly child support obligation, BCSE or SES may disburse such funds to custodial parents in amounts that, when combined with the obligor's payment, would not exceed the monthly support obligation.

BACKGROUND

Family Support Magistrate Division

By law, the Superior Court's Family Support Magistrate Division has jurisdiction over child support cases in which (1) the child is receiving, or has received, welfare cash or foster care assistance or (2) where a child's parent or guardian has paid a fee and asked BCSE for help to collect support. Family support magistrates are appointed by the governor for three-year terms to hear cases involving paternity and child and spousal support. They are quasi-judicial officers, not judges, but perform some judicial functions.

e-IWO Process

The federal Office of Child Support Enforcement established the e-IWO process, which enables state child support agencies to send and

employers to receive IWOs electronically. It also allows employers to notify states about the (1) receipt of IWOs and (2) obligors' employment status.

Unemployment Compensation

By law, the labor commissioner must withhold from a person's unemployment compensation the child support owed based on the amount (1) specified by the person in his or her initial unemployment claim, (2) determined by a state or local child support enforcement agency, or (3) required by legal process properly served on the commissioner (CGS § 31-227(h)(2)).

COMMITTEE ACTION

Human Services Committee

Joint Favorable

Yea 18 Nay 0 (02/26/2015)